



Deduction Processing in KHRIS



In line with federal and state laws KHRIS processes payroll deductions in the following manner/order:

1. Legally required deductions (employee retirement contributions) and required payroll taxes (Social Security and Medicare Taxes, Federal Income Tax, State Income Tax, and Local Income Tax),
2. Court-ordered wage assignments (such as Child Support Orders, Federal Tax Levies, and Orders of Wage Garnishment), and then
3. Voluntary deductions (such as Group Health Insurance, Flexible Spending Account, or Deferred Compensation deductions).

In situations where an employee has a voluntary pretax deduction that is so large that required payroll taxes cannot be made, KHRIS will withhold the required deductions and the voluntary pretax deduction will not be withheld if there is not enough to pay it after paying the legally required taxes and deductions (employee retirement and any garnishments).